

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**TWENTIETH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
JUNE 1, 2020 THROUGH JUNE 30, 2020**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to
October 25, 2018

Period for which compensation and reimbursement is sought: June 1, 2020 through June 30,
2020

Monthly Fees Incurred: \$80,448.00

Monthly Expenses Incurred: \$70.00

Total Fees and Expenses: \$80,518.00

This is a: X monthly _____ interim _____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from June 1, 2020 through and including June 30, 2020 (the “**Twentieth Fee Period**”) amount to:

Professional Fees	\$80,448.00
Expenses	<u>70.00</u>
TOTAL	<u>\$80,518.00</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$64,358.40
Expenses at 100%	<u>70.00</u>
TOTAL	<u>\$64,428.40</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Twentieth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Twentieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Twentieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Twentieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Twentieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Twentieth Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than August 14, 2020 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
July 30, 2020

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
Matthew Diaz, Senior Managing Director
Three Times Square, 10th Floor
New York, New York 10036
Telephone: (212) 499-3611
Email: matt.diaz@fticonsulting.com

EXHIBIT A

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF HOURS BY PROFESSIONAL
FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020**

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Star, Samuel	Senior Managing Director	Restructuring	\$ 1,125	0.5	\$ 562.50
Diaz, Matthew	Senior Managing Director	Restructuring	1,085	13.4	14,539.00
Hart, Christa	Senior Managing Director	Retail	1,050	1.4	1,470.00
Friedland, Scott D.	Senior Managing Director	Forensics	985	3.5	3,447.50
Carr, Emre	Senior Managing Director	Forensics	985	1.3	1,280.50
Eisler, Marshall	Senior Director	Restructuring	845	11.9	10,055.50
Flubacker, Mark	Senior Director	Retail	755	22.5	16,987.50
Kim, Ye Darm	Senior Consultant	Restructuring	560	48.4	27,104.00
Shapiro, Jill	Consultant	Restructuring	415	10.5	4,357.50
Hellmund-Mora, Marili	Associate	Restructuring	280	2.3	644.00
TOTAL				115.7	\$ 80,448.00

EXHIBIT B

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF HOURS BY TASK
FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020**

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	0.7	\$ 759.50
11	Prepare for and Attend Court Hearings	6.9	4,725.00
14	Analysis of Claims and Liabilities Subject to Compromise	1.4	1,099.00
17	Wind Down Monitoring	14.6	10,992.00
18	Potential Avoidance Actions & Litigation	74.0	53,811.00
20	General Meetings with Debtor & Debtors' Professionals	1.1	616.00
24	Preparation of Fee Application	17.0	8,445.50
TOTAL		115.7	\$80,448.00

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020

Task Category	Date	Professional	Hours	Activity
1	6/30/2020	Diaz, Matthew	0.7	Review Q1 update report for the Committee.
1 Total			0.7	
11	6/9/2020	Kim, Ye Darm	3.0	Participate (telephonically) in PreTrial hearing.
11	6/17/2020	Eisler, Marshall	0.8	Prepare for hearing re: Administrative Claims Distribution.
11	6/17/2020	Diaz, Matthew	0.5	[Partial] Participate (telephonically) in hearing re: Administrative Claims Distribution.
11	6/17/2020	Kim, Ye Darm	1.3	Participate (telephonically) in hearing re: Administrative Claims Distribution.
11	6/17/2020	Eisler, Marshall	1.3	Participate (telephonically) in hearing re: Administrative Claims Distribution.
11 Total			6.9	
14	6/10/2020	Kim, Ye Darm	0.8	Review administrative claims settlement documents.
14	6/27/2020	Diaz, Matthew	0.6	Review non opt out claims distribution.
14 Total			1.4	
17	6/4/2020	Diaz, Matthew	0.7	Review updated Sears wind down cash flow.
17	6/8/2020	Kim, Ye Darm	1.1	Participate in call re: administrative claims.
17	6/10/2020	Kim, Ye Darm	2.3	Review declarations and public winddown forecasts.
17	6/16/2020	Diaz, Matthew	1.1	Review update re: court hearing.
17	6/16/2020	Star, Samuel	0.5	Review updated cash flow projection including funding for non opt out administrative creditor distributions.
17	6/16/2020	Eisler, Marshall	2.3	Review updated post confirmation budget.
17	6/16/2020	Kim, Ye Darm	1.3	Review summary chart re: presentation to Court on winddown status.
17	6/16/2020	Kim, Ye Darm	0.4	Draft summary of observations between latest winddown budget and summary chart for the Court.
17	6/16/2020	Kim, Ye Darm	1.1	Review draft of script from Counsel re: Sears hearing on administrative claims status.
17	6/16/2020	Kim, Ye Darm	0.2	Review variances between winddown budget and summary chart to Court.
17	6/17/2020	Diaz, Matthew	0.8	Review the Sears hearing slides and related updates.
17	6/17/2020	Eisler, Marshall	1.4	Review updated wind down budget as provided by the Debtors.
17	6/17/2020	Kim, Ye Darm	0.5	Review Debtors' exhibit re: Sears administrative claims status update.
17	6/18/2020	Eisler, Marshall	0.4	Review exhibit showing historical financials in order to respond to Counsel's request.
17	6/26/2020	Kim, Ye Darm	0.5	Review notice of second distribution re: administrative claims expense.
17 Total			14.6	
18	6/1/2020	Diaz, Matthew	0.4	Participate in meeting with Counsel re: investigations.
18	6/1/2020	Kim, Ye Darm	0.4	Participate in meeting with Counsel re: investigations.
18	6/1/2020	Diaz, Matthew	0.6	Review next steps on open items re: investigations.
18	6/1/2020	Kim, Ye Darm	1.8	Review historical forecasts re: investigations.
18	6/5/2020	Diaz, Matthew	0.6	Review responses to Counsel re: investigations.
18	6/5/2020	Kim, Ye Darm	2.4	Prepare analysis re: equity valuation.
18	6/9/2020	Diaz, Matthew	0.7	Review open items for Counsel re: investigations.
18	6/9/2020	Kim, Ye Darm	1.1	Prepare summary of pre-trial hearing for distribution to team.
18	6/10/2020	Flubacker, Mark	2.6	Determine peer set for analysis and gather sales and earnings information.
18	6/10/2020	Hart, Christa	0.5	Review approach and outline of peer analysis.
18	6/11/2020	Flubacker, Mark	0.1	Participate in meeting re: peer analysis.
18	6/11/2020	Hart, Christa	0.1	Participate in meeting re: peer analysis.
18	6/11/2020	Flubacker, Mark	2.1	Prepare analysis re: peer sales and earnings.
18	6/11/2020	Kim, Ye Darm	0.9	Review data from Counsel re: transactions.
18	6/12/2020	Flubacker, Mark	0.8	Analyze Sears sales and earnings performance comparing actual results to plan.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020

Task Category	Date	Professional	Hours	Activity
18	6/12/2020	Flubacker, Mark	2.1	Analyze peer sales and earnings information.
18	6/12/2020	Flubacker, Mark	2.4	Draft analysis re: peer sales and earnings.
18	6/12/2020	Flubacker, Mark	2.8	Develop comparative analysis re: peer sales and earnings.
18	6/12/2020	Kim, Ye Darm	0.4	Prepare response to Counsel re: distribution data.
18	6/15/2020	Flubacker, Mark	2.8	Analyze various financial metrics re: peer company analysis.
18	6/15/2020	Flubacker, Mark	3.1	Prepare analysis re: peer sales and earnings performance comparing actual results to plan.
18	6/15/2020	Flubacker, Mark	1.8	Prepare analysis comparing Sears performance to peer set.
18	6/15/2020	Kim, Ye Darm	0.7	Review letter to Counsel re: investigations responses.
18	6/16/2020	Flubacker, Mark	0.8	Analyze Sears earnings projections as compared to peer set.
18	6/16/2020	Flubacker, Mark	0.7	Revise comparative peer analysis.
18	6/16/2020	Kim, Ye Darm	2.1	Review latest production materials responsive to outstanding diligence request.
18	6/16/2020	Kim, Ye Darm	1.1	Draft summary of production responses to diligence requests for internal update.
18	6/17/2020	Kim, Ye Darm	1.6	Review comp analysis and provide updated source figures.
18	6/17/2020	Hart, Christa	0.4	Finalize comp analysis.
18	6/18/2020	Diaz, Matthew	0.6	Review draft responses to Counsel.
18	6/18/2020	Diaz, Matthew	0.7	Review updated discovery responses.
18	6/18/2020	Kim, Ye Darm	2.1	Prepare operating loss analysis.
18	6/18/2020	Kim, Ye Darm	2.1	Prepare updated diligence request list for discussion with Counsel.
18	6/18/2020	Kim, Ye Darm	0.7	Participate in call re: diligence request updates.
18	6/19/2020	Kim, Ye Darm	1.6	Review comp analysis re: forecasts.
18	6/23/2020	Diaz, Matthew	0.3	Review responses to Counsel's questions re: certain aspects of the complaint.
18	6/23/2020	Kim, Ye Darm	0.4	Review Debtor documents re: comp analysis.
18	6/23/2020	Flubacker, Mark	0.4	Participate in call with Counsel re: investigations analysis.
18	6/23/2020	Diaz, Matthew	0.4	Participate in call with Counsel re: investigations analysis.
18	6/23/2020	Kim, Ye Darm	0.4	Participate in call with Counsel re: investigations analysis.
18	6/23/2020	Hart, Christa	0.4	Participate in call with Counsel re: investigations analysis.
18	6/26/2020	Friedland, Scott D.	1.4	Review Capital Market Risk Advisors' questions re: MTN.
18	6/26/2020	Diaz, Matthew	0.5	Review questions re: the MTN litigation.
18	6/26/2020	Kim, Ye Darm	1.1	Review purchase agreement and diligence questions re: MTN investigations.
18	6/28/2020	Kim, Ye Darm	1.3	Review memo and materials re: MTN investigations.
18	6/29/2020	Eisler, Marshall	2.9	Prepare for call with Herrick Feinstein re: MTN issues.
18	6/29/2020	Friedland, Scott D.	0.7	Review Herrick Feinstein status memo re: MTN.
18	6/29/2020	Friedland, Scott D.	0.5	Review draft responses to questions posed by Capital Market Risk Advisors and Herrick Feinstein re: MTN.
18	6/29/2020	Diaz, Matthew	1.1	Review responses re: MTN investigations.
18	6/29/2020	Kim, Ye Darm	1.0	Review memo re: MTN investigations.
18	6/29/2020	Kim, Ye Darm	2.2	Prepare and review materials for MTN investigations to share with Counsel.
18	6/29/2020	Kim, Ye Darm	0.8	Continue reviewing note purchasing agreement re: MTN.
18	6/29/2020	Carr, Emre	0.5	Participate in internal meeting re: MTN.
18	6/29/2020	Kim, Ye Darm	1.4	Prepare responses to Counsel's MTN diligence questions.
18	6/29/2020	Kim, Ye Darm	2.6	Continue preparing and review materials for MTN investigations to share with Counsel.
18	6/29/2020	Kim, Ye Darm	0.3	Participate in call with Herrick Feinstein re: MTN.
18	6/29/2020	Kim, Ye Darm	0.5	Participate in internal meeting re: MTN.
18	6/30/2020	Eisler, Marshall	2.1	Research CDS auction issue in connection with litigation.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020

Task Category	Date	Professional	Hours	Activity
18	6/30/2020	Friedland, Scott D.	0.9	Review questions and materials gathered to assist Herrick Feinstein re: auction of Sears medium term notes.
18	6/30/2020	Diaz, Matthew	0.6	Review documents re: MTN investigation.
18	6/30/2020	Kim, Ye Darm	0.6	Revise responses to Counsel re: MTN.
18	6/30/2020	Diaz, Matthew	0.8	Participate in call with Herrick Feinstein and their financial advisor re: MTN litigation.
18	6/30/2020	Kim, Ye Darm	0.6	Research CDS auction issue in connection with litigation.
18	6/30/2020	Carr, Emre	0.8	Participate in call with Herrick Feinstein and their financial advisor re: MTN litigation.
18	6/30/2020	Kim, Ye Darm	0.8	Participate in call with Herrick Feinstein and their financial advisor re: MTN litigation.
18 Total			74.0	
20	6/3/2020	Kim, Ye Darm	1.1	Participate in Pre-Effective Date Committee call.
20 Total			1.1	
24	6/2/2020	Hellmund-Mora, Marili	0.4	Generate fee and cost estimate in connection with reporting budget and fee statement.
24	6/2/2020	Shapiro, Jill	0.4	Prepare the weekly fee estimate.
24	6/9/2020	Hellmund-Mora, Marili	0.9	Prepare the May fee statement to ensure compliance with bankruptcy guidelines.
24	6/9/2020	Hellmund-Mora, Marili	1.0	Prepare the April fee statement to ensure compliance with bankruptcy guidelines.
24	6/9/2020	Shapiro, Jill	1.6	Prepare the April fee statement.
24	6/9/2020	Shapiro, Jill	0.3	Prepare the weekly fee estimate.
24	6/9/2020	Shapiro, Jill	1.4	Prepare the May fee statement.
24	6/9/2020	Shapiro, Jill	0.6	Prepare updates to the March fee statement to meet fee examiner guidelines.
24	6/10/2020	Kim, Ye Darm	0.9	Review draft of the May fee statement.
24	6/10/2020	Kim, Ye Darm	0.9	Review draft of the April fee statement.
24	6/11/2020	Diaz, Matthew	0.5	Review the April monthly fee statement.
24	6/11/2020	Diaz, Matthew	0.7	Review the May monthly fee statement.
24	6/11/2020	Shapiro, Jill	0.3	Prepare updates to the May fee statement.
24	6/11/2020	Shapiro, Jill	0.2	Prepare updates to the April fee statement.
24	6/16/2020	Shapiro, Jill	0.2	Prepare the weekly fee estimate.
24	6/16/2020	Shapiro, Jill	0.6	Continue to prepare the April fee statement.
24	6/17/2020	Shapiro, Jill	1.0	Prepare analysis re: FTI accruals.
24	6/17/2020	Shapiro, Jill	0.3	Revise the April fee statement.
24	6/18/2020	Eisler, Marshall	0.7	Review fee tracker in order to respond to diligence request from Debtors.
24	6/18/2020	Shapiro, Jill	1.2	Continue to prepare analysis re: FTI accruals.
24	6/19/2020	Diaz, Matthew	0.5	Review diligence related to request in connection with amounts Sears has accrued for FTI.
24	6/19/2020	Shapiro, Jill	0.4	Finalize the April fee statement.
24	6/19/2020	Shapiro, Jill	0.2	Finalize the May fee statement.
24	6/23/2020	Shapiro, Jill	0.4	Prepare the weekly fee estimate.
24	6/29/2020	Shapiro, Jill	0.6	Prepare updates to the April fee statement to meet fee examiner guidelines.
24	6/29/2020	Shapiro, Jill	0.6	Prepare updates to the May fee statement to meet fee examiner guidelines.
24	6/30/2020	Shapiro, Jill	0.2	Prepare the weekly fee estimate.
24 Total			17.0	
Grand Total			115.7	

EXHIBIT D

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

SUMMARY OF EXPENSES

FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020

Expense Type	Amount
Other	\$ 70.00
Grand Total	\$ 70.00

EXHIBIT E**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****EXPENSE DETAIL****FOR THE PERIOD JUNE 1, 2020 TO JUNE 30, 2020**

Date	Professional	Expense Type	Expense Detail	Amount
6/9/2020	Kim, Ye Darm	Other	Participate in hearing telephonically via CourtCall.	\$ 70.00
Other Total				\$ 70.00
Grand Total				\$ 70.00